



ITEM NO.: 5.2

Memorandum

TO: Rules Committee Members

FROM: Vice Mayor Chavez

SUBJECT: Agenda Item for Feb. 28, 2006

Rules Committee – Agendize discussion of City indemnification requirement for neighborhood groups meeting in City facilities

DATE: Feb. 15, 2006

Approved

Date

2/15/06

RECOMMENDATION

- 1) Place indemnification issue on the February 28 Council Agenda.
- 2) Direct City staff to review current practices regarding indemnification requirements for neighborhood groups meeting in city owned facilities and report to Council.
- 3) Direct City staff to review and contrast indemnification requirements for special events on city property and report back to Council.

BACKGROUND

It has recently come to my attention that a neighborhood association is being required to fully indemnify the City for all future activities conducted in a City facility. This places an onerous financial requirement on neighborhood groups that are conducting activities for the greater public good. In order to mitigate the risk, a neighborhood group may choose to purchase insurance. My preliminary research suggests that costs for such one-time insurance are over \$800. Clearly, many neighborhood groups do not have the resources to purchase such insurance.

I am concerned that we will be asking individual association members that are already donating hundreds of hours to assume an unreasonable personal financial risk. I regard these individuals as "city treasures." It is imperative that City Council

take all appropriate measures to support the activities of San Jose's neighborhood associations. I was a leader in the formation of the Strong Neighborhood Initiatives program (SNI). Many of these associations participate in SNI by sending a representative to its local SNI NAC. I take great pride in the proliferation of neighborhood associations since the inception of SNI. As mentioned in the Mid-Year Budget Review discussions, the City's general fund revenues may continue to decrease. Therefore, the activities of our neighborhood associations are even more critical to our quality of life in San Jose.